

February 16, 2023

Paula Jones & Kevin Gough
5 Bear Ridge Dr
Bloomfield, CT 06002

Public Hearing Friday, February 17, 2023

Re: Testimony IN SUPPORT of HB 5888: An Act Concerning the Metropolitan District

Members of the Planning and Development Committee:

Thank you for the opportunity to submit written testimony. We are writing in strong support of HB 5888.

We have been residents of Bloomfield and customers of the Metropolitan District for over 30 years. We are grateful for the quality of our drinking water and for the MDC's reservoir system, which includes 3,000 acres of pristine woodlands with trails for passive recreation open to the public.

However, we have questioned MDC management actions for over a decade, beginning with the 2012 proposal to build a 17-mile pipeline to UCONN. That failed proposal was one impetus for resurrecting the development of the State Water Plan, which was finally ratified by the General Assembly in June, 2019. The MDC opposed ratification of the Plan, objecting to its mention of the principle (previously codified in CT General Statute 22a-15) that water is a "Public Trust" resource. Representatives of the MDC declared publicly on multiple occasions that the MDC "owns" the water. Having diversion rights to a public-trust resource doesn't give any entity "ownership" of that resource. Ownership belongs to us, the public.

The failed pipeline was followed by the controversial introduction in 2015 of discounted rates specially designed for one potential user, Niagara Bottling in Bloomfield. In our view these discounts were and remain inequitable, environmentally irresponsible, and, in the case of the discounts to the Clean Water Project charge, illegal. Correspondence between Niagara and the MDC in 2015, obtained through FOIA requests, show Niagara demanded large discounts to locate in an MDC town. The MDC negotiated the discounts with Niagara, but then revoked them in 2016 due to public backlash. The District could bide its time, as Niagara hadn't built out its bottling plant sufficiently to utilize the discounts.

By January 2020 Niagara had 3 bottling lines up and running without ever having had the benefit of special discounts. The MDC reinstituted the discounts in March 2020 (right before COVID lockdown) in spite of massive public opposition. (271 total comments

were submitted for the record for a Public Hearing on the matter: 3 in favor of the discounts, 268 opposed to the discounts.) According to a subsequent report by the MDC Independent Consumer Advocate, the discounts cost the MDC \$250,000 in lost revenue over the first 6 months following implementation. Simply put, all other MDC ratepayers (and CT taxpayers who finance state Drinking Water bonds) subsidize Niagara Bottling, a for-profit company that needs no subsidization (and sells a ‘product’ that shouldn’t even exist).

The management and Board behavior that created this pricing fiasco is an excellent example of why much more oversight of MDC actions and an enforceable code of conduct are needed. Sadly, it is all too easy to find other instances. Currently there is an incident involving Chairman DiBella authorizing payments to local attorney, James Sandler, which led to an (internal MDC) investigation into the possible misuse/misappropriation of ratepayer funds by Chairman DiBella. Based on the known facts, the misappropriation is clear. What’s the status of that investigation? As ratepayers, we’d like to know. Based on past experience, we have low expectations that there will be any accountability. An enforceable code of conduct sorely is needed.

Recently in the headlines are the hardships experienced by Hartford north-end residents with inadequate MDC sewer service. These MDC ratepayers’ health and homes are repeatedly compromised by flooding due to MDC’s antiquated combined storm-water and sewer systems. This is certainly a huge problem exacerbated by climate change that will require multiple agencies’ efforts to address. But the MDC response is to point fingers and blame other agencies. It is always someone else’s fault (and there is never enough money for repairs, although the CEO and others certainly have generous benefits).

These examples are specific illustrations of the need for this legislation, particularly a defined Code of Ethics and annual audits. A thorough review of the organization and operation of the MDC is also warranted for a number of general reasons:

- The MDC does not “own” the water or assets of the MDC system – they are owned by the public. This is not the way the MDC operates; they need written rules and guidance. They need to behave like a utility, not a development agency.
- The MDC should not be allowed to lobby, as it did in trying to hold hostage the State Water Plan.
- The MDC was created at a time of rapid population and industrial growth. While that has not been the case for 50 years, rather than revising their growth-based business model, they believe their only alternative is to “sell more water” and grow their way out of their problems. This has not and will not work and has led to numerous ethical problems, such as the MDC’s company-specific discounts for Niagara Bottling.
- The MDC claims that “due to its Charter” it cannot institute a ‘conservation pricing’ rate model. This model – where customers pay increasing rates with increasing level of use – is both more equitable (as a lower-than-current rate can

be charged on a water consumption level of “basic living need”) and more environmentally sound (as it incentivizes conserving the resource). It speaks volumes that while the MDC says it is prohibited from instituting a conservation pricing model, it has no problem finding justification within its current Charter – which it really does not have – to create discount rates for large corporate clients.

- We believe it goes without saying that the MDC has a poor reputation. Under its current rules and structure it is perceived as a bastion of political patronage. Organizational reform, possibly with a new Charter, and real enforcement of the rules (such as true residency in the MDC towns to serve on the Board – everyone knows that Chairman DiBella has not lived in Hartford for years) is required to clean up their image.

Finally, the committee should support this legislation simply because “the times have changed.” The MDC’s Charter is almost 100 years old and much is different, including new service areas for the MDC – hence the issues around voting by commissioners from nonmember municipalities. Regardless of specific critiques, the provisions in this bill either should now be standard practice (adoption of the State Code of Ethics, annual state audit) or are long past due because of the passage of time (review of the operations and organization of the MDC with intent to update the Charter).

In conclusion, it’s time to have fresh eyes look at the MDC’s operations and organization with an eye toward adopting an equitable and sustainable business model. It’s past time for the MDC to adopt, administer, **and enforce** annual audits and the model code of ethics for municipalities and special districts. Additionally, commissioners from non-member municipalities should be able to vote on rates applicable to their municipalities. Please support HB5888 and vote to bring it out of committee.

We thank you for your consideration.